

## **Part 2A of Form ADV: *Firm Brochure***



Trust Investment Advisors

**TRUST & INVESTMENT ADVISORS, INC. (TIA)**

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This brochure provides information about the qualifications and business practices of Trust Investment Advisors (TIA). If you have any questions about the contents of this brochure, please contact us at 317-253-2000 or [mprugh@tiadvisors.com](mailto:mprugh@tiadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Trust Investment Advisors (TIA) also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 105330.

## **Item 2    Material Changes**

This Brochure, dated October 31, 2014, contains material changes from the firm's prior Brochure, dated December 31, 2013. One material change is the addition in Item 4 of a third Preferred Income Portfolio—Shorter Call Portfolio. Another material change is in Item 5 relating to fees charged for the various types of portfolios managed. In addition, we have updated the firm's Assets Under Management figures, located in the first paragraph of Item 4. As of 10/31/2014 the firm managed a total of \$161,124,626 on behalf of 512 client accounts).

Clients can always request a copy of our current ADV Part 2 Brochure at any time – please telephone your account manager, who will ensure that a copy is mailed to you, free of charge. In addition, you can always view a copy of the firm's current ADV Part 2 Brochure online at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 3 Table of Contents

Item 2	Material Changes.....	2
Item 4	Advisory Business .....	4
Item 5	Fees and Compensation .....	11
Item 6	Performance-Based Fees and Side-By-Side Management.....	13
Item 7	Types of Clients .....	13
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	13
Item 9	Disciplinary Information.....	15
Item 10	Other Financial Industry Activities and Affiliations .....	15
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	16
Item 12	Brokerage Practices .....	16
Item 13	Review of Accounts.....	17
Item 14	Client Referrals and Other Compensation .....	18
Item 15	Custody .....	18
Item 16	Investment Discretion.....	18
Item 17	Voting Client Securities .....	19
Item 18	Financial Information .....	19
	FORM ADV, Part 2B Brochure Supplement .....	20
	Larry K. Pitts .....	20
	G. Michael Prugh .....	22
	Jonathan M. Atkins .....	23

## **Item 4     Advisory Business**

Trust & Investment Advisors (TIA) is a SEC-registered investment adviser with its principal place of business located in Indiana. Trust & Investment Advisors began conducting business in 1987. As of December 31, 2012, the firm had assets under management of \$161,124,626 on behalf of 512 client accounts.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Larry K. Pitts, CFA, President & CEO

Trust Investment Advisors offers the following advisory services to our clients:

### **INDIVIDUAL INVESTMENT STRATEGY**

Our firm provides continuous asset management of client funds based on the individual needs of the client primarily through the use of model portfolios of stocks and fixed income securities. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage an investment strategy based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background. Our investment strategy determines an appropriate asset allocation for the client and utilizes our model equity and fixed income portfolios.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's investment strategy has been established, we review the portfolios quarterly, and if necessary, rebalance the portfolio based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- United States governmental securities
- Options contracts on securities
- Exchange Traded Funds (ETF's)
- Mutual Funds

Because some types of investments involve certain additional degrees of risk, they will only

be implemented when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## **MODEL PORTFOLIO MANAGEMENT**

Our firm provides continuous portfolio management services to clients primarily based on model portfolios for asset allocation and security selection. The firm's investment committee meets on a regular basis to manage the model portfolios. Each model portfolio is designed to meet a particular investment goal and is incorporated in an overall investment strategy for each client.

The following is a description of the model portfolios as managed by Trust Investment Advisors:

### **Value Equity Portfolio**

The investment objective of TIA's Value Equity Portfolio (VEP) is to purchase stocks of companies selling below their intrinsic business value. Our analysts provide independent research, utilizing a financial database and a proprietary evaluation process.

TIA's stock selection process has two components; a screening process to determine stocks meeting TIA's guidelines for inclusion in the VEP and a valuation process that measures the relative attractiveness of the stocks passing through the screening process. The valuation process incorporates the net book value of the assets of the company with its future earnings stream, adjusted for the estimated long-term growth rate of company earnings.

The screening process for the VEP uses four guidelines for inclusion:

- Return on capital greater than the market (as measured by the weighted average of the S&P 500 index)
- A debt/total capital ratio of less than 50%
- Market capitalization of greater than \$1.0 billion
- Dividend yield of at least 1%.

The guiding philosophy for these guidelines is to pick companies that are financially strong with better than average returns on capital. In addition, we believe companies in our portfolio should pay at least a minimal level of dividends with a goal of having a dividend yield exceeding that of the market. Companies that are/or become exceptions to the guidelines must be reviewed and approved by the committee.

The Investment Committee focuses on a fundamental analysis of the undervalued 200 companies coming through the screening and valuation process. The Investment Committee reviews individual company candidates for our portfolios. In-depth analysis of company research, industry reports and current valuation is performed for each possible acquisition. In addition to fundamental data, key factors considered are management, product leadership and industry dynamics.

Stocks are sold from the portfolio for three reasons: 1) the company has performed as expected and the stock price has reached its full valuation as indicated by our pricing model; 2) unexpected events change

the prospects of the company causing it to fall short of its potential; 3) the Investment Committee finds another stock it believes has better prospects.

Typically, the VEP will consist of a well-diversified portfolio of 30 – 35 stocks. TIA maintains and monitors diversification guidelines on both a company and industry basis. TIA has a policy of staying fully invested at all times and does not try to “time” the market.

### **Income Equity Portfolio**

The investment objective of TIA’s Income Equity Portfolio (IEP) is to invest in companies having a high current yield with a growing stream of dividend income. TIA performs its own fundamental research, utilizing a leading financial database to screen for potential purchase candidates meeting predetermined criteria.

TIA’s stock selection process has two components; a screening process to determine stocks meeting TIA’s guidelines for inclusion in the IEP and a ranking process based on the company’s dividend yield and projected dividend yield given its dividend growth rate.

TIA uses the following criteria to screen for stocks for the IEP:

- Market capitalization > \$1.0 billion
- Dividends/cash flow < 67.0%
- Current yield > Yield on S&P 500 index
- Five year dividend growth rate > 3.0%

Stocks selected from the screening process are ranked according to their current and projected dividend yield. TIA analysts use the screening process to pick companies to review for possible purchase. The analysts perform a fundamental evaluation of the company’s financial statements, management and industry to determine its prospects.

Stocks are monitored on an ongoing basis for dividend growth, dividend yield and cash flow. Companies falling below certain criteria for each ratio are considered exceptions and must be sold out of the portfolio unless conditions are temporary or would otherwise merit retention of the stock.

Typically, the IEP will consist of a well-diversified portfolio of 25 - 30 stocks. TIA may use “common stock substitutes” such as preferred stock or convertible debt in certain situations, though this is not a common practice. TIA maintains and monitors diversification guidelines on both a company and industry basis. TIA has a policy of staying fully invested at all times and does not try to “time” the market.

## **Growth Equity Portfolio**

Trust Investment Advisors Growth Equity Portfolio (GEP) is invested in companies having revenues and earnings growing faster than the market. The investment objective is to maximize total return by investing in companies whose products have a marked edge over competitors and whose expected revenue increase will result in meaningfully stronger earnings prospects. Long-term, superior earnings performance should lead to significant capital appreciation for the portfolio.

TIA's stock selection process has two components; a screening process to determine stocks meeting TIA's guidelines for inclusion in the GEP and a ranking process based on the company's price to earnings ratio adjusted for the companies' long-term earnings growth rate. TIA uses a leading financial database for stock selection.

TIA screens the database for growth stocks using the following criteria:

- Market Capitalization > 1.0 Billion
- Five year sales compound growth rate > 7.5%
- Five year average return on equity > 7.5%
- Debt/total capital < 50%

TIA uses a valuation model based on earnings estimates and projected earnings growth to evaluate stocks selected through the screening process. The price to earnings ratio utilizing estimates for the current fiscal year is adjusted for the projected growth rate in earnings. This adjusted ratio is compared to the ratio for the S&P 500 Index in projecting a fair valuation for the company. TIA then ranks the companies based on their relative attractiveness.

TIA analysts use the valuation process to select companies to review for possible purchase. The Investment Committee reviews individual company candidates for our portfolios. In-depth analysis of company research, industry reports and current valuation is performed for each possible acquisition. In addition to fundamental data, key factors considered are management, product leadership, and industry dynamics. If the stock is approved by the committee, it is added to the portfolio.

Stocks are sold from the portfolio for three reasons: 1) the company has performed as expected and the stock price has reached its full valuation as indicated by our pricing model; 2) unexpected events change the prospects of the company causing it to fall short of its potential; 3) the Investment Committee finds another stock it believes has better prospects.

Typically, the GEP will consist of a well-diversified portfolio of 30 – 35 stocks. TIA maintains and monitors diversification guidelines on both a company and industry basis. TIA has a policy of staying fully invested at all times and does not try to "time" the market.

## **Covered Call Strategy**

We use "covered call" option contracts written (sold) to correspond with existing securities currently held in the portfolio. In this strategy, clients receive a premium (income received from writing/selling

covered call contracts) for agreeing to sell an underlying security at a specific price (“strike price”) by a specific date (“expiration date”).

We use this strategy as an additional source of income yield to our portfolios.

A risk of covered calls is that the current market price of the underlying security may exceed the “strike” price of the option contract preventing the sale at a higher price.

Another risk of covered calls exists when option contracts are not exercised and it’s desirable to sell the underlying security. In this case, the security can either be sold after the expiration date where the market price may be lower or the option contract(s) can be bought back resulting in a possible loss of net income.

## **Fixed Income Portfolio**

Trust Investment Advisors is an intermediate fixed income manager. Our firm manages its fixed income portfolios based on an analysis of Federal Reserve policy, cyclical interest rate trends and the consensus economic forecast. From this analysis, we make a duration/maturity decision as a guide to develop the overall portfolio strategy. We then analyze the yield curve and sector interest spreads to guide us in determining appropriate sectors and individual issues for client portfolios. Our fixed income portfolios may include the following securities:

- Investment grade corporate debt securities
- Preferred stocks
- Commercial paper
- Certificates of Deposits
- United States government securities
- Investment grade municipal securities
- Exchange traded funds (EFT’s) – primarily those based on Treasury Inflation Protection securities (TIP’s)

We maintain fixed income guidelines relevant to quality standards, maturity selection and concentrations for both individual issues and sectors. We invest in investment grade securities and in the corporate sector, primarily investing in companies held in our equity portfolios. Securities that fall outside of our guidelines must be approved by the Investment Committee. We manage the total return of the portfolio which includes interest income plus changes in principal values.

## **Preferred Income Portfolio**

TIA currently has three Preferred Income Portfolios (PIP):

1. Benchmark PIP consisting of approximately 30 issues and 45 months of call protection. This portfolio yield is compared to the 5 year US Treasury Bond.
2. Non-Cumulative Portfolio (CP) with approximately 15 issues all of which are in the PIP. This portfolio is tax-advantaged (dividends qualify for the 20% maximum dividend rate) and is compared to municipal bond yields.



3. Shorter Call Protection (SCP) includes approximately 10 issues with less than 2 years call protection and is compared to the 2 year US Treasury Notes and 2 year Bank CD's.

The investment objective of TIA's Preferred Income (PIP) portfolio is two-fold: 1) to provide a taxable fixed income alternative through fixed quarterly dividends and 2) to produce "equity like" total returns through the superior historical yield spreads to US Government Bonds existing in the preferred stock market.

There are several components in TIA's preferred stock philosophy:

- High quality marketable preferred stocks (NYSE)
- Superior historical yield spread to US Government Bonds
- \$25 par value
- Quarterly dividend payments
- Perpetual duration range
- Less than 5 years call protection

The following guidelines are utilized for individual stock selection:

- Investment grade quality rating
- Minimum returns:
  - 6% current yield for PIP
  - 3% yield to call
  - 2% yield spread over respective Treasuries
- Individual issues cannot represent more than 8% of the portfolio

Preferred Stocks selected from the screening process for consideration for purchase must adhere to the TIA preferred stock guidelines or be approved as an exception by the Investment Committee.

Stocks are sold based upon failure to meet minimum income returns and/or demonstrate deteriorating issue fundamentals.

The typical preferred stock portfolio will consist of a diversified portfolio of 20-25 stocks. TIA maintains and monitors diversification guidelines on both a company and industry basis. TIA has a policy of staying fully invested at all times and does not try to "time" the market.

## **General**

Through personal discussions with the client in which the client's goals and objectives are established, we initially determine whether the model portfolios are suitable to the client's circumstances. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we provide the

following services:

1. send detailed quarterly reports to clients and request any updated information regarding changes in the client's financial situation and investment objectives;
2. tri-annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions. It is, however incumbent upon the client to inform TIA of any changes in the interim;
3. be reasonably available to consult with the client in person or by telephone and/or email

## Item 5 Fees and Compensation

### **PORTFOLIO MANAGEMENT SERVICES FEES**

The annualized fee for Portfolio Management Services is charged as a percentage of assets under management, according to the following schedule:

#### **Equity and Balanced Portfolios**

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
First \$1 Million	1.25% (0.0125)
Next \$1 Million to \$5 Million	0.75% (0.0075)
Next \$5 Million to \$50 Million	0.50% (0.0050)

#### **Covered Call Options**

<b><u>Equity Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
First \$500,000	0.50% (0.0050)
Next \$500,000 to \$50 Million	0.25% (0.0025)

#### **Fixed Income Portfolio**

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
First \$1 Million	0.75% (0.0075)
Next \$1 Million to \$5 Million	0.60% (0.0060)
Next \$5 Million to \$50 Million	0.35% (0.0035)

#### **Preferred Income Portfolio**

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
First \$1 Million	1.00% (.01000)
Next \$1 Million to \$5 Million	0.75% (0.0075)
Next \$5 Million to \$50 Million	0.50% (0.0050)

<b><i>3<sup>rd</sup> Party Accounts</i></b>	0.25% (0.0025)
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Our fees are billed in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the quarter. Covered call fees are billed in arrears. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

***Limited Negotiability of Advisory Fees:*** Although TIA has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts,

circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition and reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

## **PORTFOLIO MANAGEMENT FEES**

### **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

***Wrap Fee Programs and Separately Managed Account Fees:*** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

***Mutual Fund Fees:*** (where mutual funds are used which is not our primary strategy): All fees paid to TIA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer to effect transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Minimum Account Requirements:*** TIA does not currently maintain minimum account requirements. If minimum account requirements were adopted, pre-existing advisory clients would be subject to TIA's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship.

**ERISA Accounts:** TIA is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, TIA may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset TIA's advisory fees. As a matter of practice TIA's only compensation is its management fee for investment advice.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Trust Investment Advisors does not charge performance-based fees.

## **Item 7 Types of Clients**

Trust Investment Advisors provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above
- Banks
- Pension Trusts

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis:** We primarily use fundamental analysis in choosing securities for our portfolios. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). We apply certain valuation techniques that we have developed to determine the attractiveness of a security.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis:** We use technical analysis only as a supplement to our investment process.

Technical analysis analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. We may use technical analysis in determining appropriate entry and exit points for securities.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

***Qualitative Analysis:*** We subjectively evaluate non-quantifiable factors such as quality of management, industry sector, management attitude towards shareholders, strength of research and development factors not readily subject to measurement which help predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

***Mutual Fund and/or ETF Analysis:*** If mutual funds or ETF's are utilized, and this is not our primary strategy, we look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

***Risks for all forms of analysis:*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizons, among other considerations:

***Long-term purchases:*** Our primary strategy is to purchase securities with the idea of holding them in the client's account for a year or longer. We employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class or market sector over time, regardless of the current projection for this class or sector.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not

take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases:** When utilizing this strategy and this is not our primary strategy, we would purchase securities with the idea of selling them within a relatively short time (typically a year or less). We would do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Option writing:** We may use options as an investment strategy utilizing covered call options. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

We use "covered calls", in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available and the person purchasing the option has the right to buy the security from you at an agreed-upon price on or before the expiration date. We use this strategy as an additional source of income yield to our portfolios.

A risk of covered calls is that the price of the security you own may be higher than the price you received under the option contract creating an opportunity loss on the option contract.

Another risk of covered calls is if we want to sell the stock before the expiration date and the option buyer has not exercised the option, we will have to buy back the option for a possible loss.

**Risk of Loss:** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## **Item 10 Other Financial Industry Activities and Affiliations**

Trust Investment Advisors and Larry K. Pitts, President are affiliated with Circle Investment Counselors, LLC, an investment adviser. Circle Investment Counselors is inactive at the present time and is not seeking clients. Trust Investment Advisors has been a sub-manager for Circle Investment Counselors on a very limited number of accounts.

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our firm has adopted a Code of Ethics defining the ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Trust Investment Advisors and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our Code of Ethics requirements also include the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. In addition, our code also provides for oversight, enforcement and recordkeeping provisions.

Trust Investment Advisors' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [mprugh@tiadvisors.com](mailto:mprugh@tiadvisors.com) or by calling us at 317-253-2000.

Trust Investment Advisors and individuals associated with our firm are prohibited from engaging in principal transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with; 1) making decisions in the best interest of advisory clients and 2) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security (ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

## **Item 12 Brokerage Practices**

For discretionary clients, Trust Investment Advisors requires these clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

As a matter of policy and practice, Trust Investment Advisors utilizes block trades for client accounts.



However, there are times when we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price.

Trust Investment Advisors has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like TIA in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for individual security transactions). Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity may also make available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies.

Trust Investment Advisors may also receive additional services which, without this arrangement, we might be compelled to purchase the same or similar services at our own expense.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of Trust Investment Advisors' clients and satisfies our client obligations, including our duty to seek best execution. In addition, TIA may use a broker dealer outside of Fidelity in certain situations. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Trust Investment Advisors will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. TIA and Fidelity are not affiliated and no broker-dealer affiliated with us is involved in the relationship between TIA and Fidelity.

## **Item 13    Review of Accounts**

### **PORTFOLIO MANAGEMENT SERVICES**

**Reviews:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Larry K. Pitts, CFA, President and G. Michael Prugh, CPA, Senior

Vice-President

**Reports:** In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker-dealer, TIA provides clients detailed quarterly reports summarizing account performance, balances, holdings and account activity. The quarterly reports provide a review of financial markets and our outlook going forward. The reports also clearly disclose TIA's management fees and their computation.

## **Item 14 Client Referrals and Other Compensation**

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is Trust Investment Advisors' policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

## **Item 16 Investment Discretion**

Clients typically hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell
- determine the amount of the security to buy or sell
- determine the price to pay or receive for the buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

**Trade Error Policy** – Errors created in an advisory account must be corrected so as not to harm any client. The goal of error correction is to make the client “whole” regardless of the cost to TIA. We absorb all trade errors-losses and gains-from all advisory accounts.

## **Item 17 Voting Client Securities**

As a matter of firm policy we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: 1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and 2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, litigation or other type events pertaining to the client’s investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client’s investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## **Item 18 Financial Information**

As an advisory firm we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. TIA has no additional financial circumstances to report.

Under no circumstances do we require or solicit pre-payment of fees. Therefore, we are not required to include a financial statement.

TIA has not been the subject of a bankruptcy petition at any time during the past ten years.

## **FORM ADV, Part 2B Brochure Supplement**

**Larry K. Pitts**

### **Educational Background and Business Experience**

BS Indiana State University (1962)

Graduate Degree in Trust Investments – American Institute of Banking (1968)

Chartered Financial Analyst (1968)

Mr. Pitts has served as Chief Executive Officer and Portfolio Manager of Trust Investment Advisors, Inc. (TIA) since its inception in 1987

Mr. Pitts served in various positions with American Fletcher National Bank from 1962 to 1987 where he began as Portfolio Manager and Security Analyst and then progressed to Manager of Investment Research, Chief Investment Officer, Chairman & Chief Investment Officer of Circle Income Shares (closed-end bond fund), Executive VP & Chief Trust Officer and lastly Senior Executive Vice President/Chief Investment Officer.

### **Disciplinary Information**

There is no disciplinary information to report for Mr. Pitts.

### **Other Business Activities and Professional Affiliations**

Mr. Pitts writes client letters issuing impersonal investment advice that is not tailored to the particular needs of any client and hosts a local TV show “Investing Today”.

Indianapolis Society of Financial Analysts (President 1976)

Indianapolis Stock & Bond Club (President 1987)

Indiana State Trust Committee (Chairman 1977)

Association for Investment Management and Research (AIMR)

### **Additional Compensation**

There is no additional compensation to report for Mr. Pitts.

### **Supervision**

Mr. Pitts has overall responsibility for the oversight of TIA’s advisory and investment

Management services: Mr. Pitts regularly reviews portfolio reports and meets with clients and the firm’s Investment Committee: He may be reached at (317) 254-5837.

#### **CFA Institute Financial Adviser Statement for SEC Form ADV**

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

#### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

#### **Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

#### **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

## **G. Michael Prugh**

### **Educational Background and Business Experience**

BA Miami University (1972-cum laude)  
MBA Indiana University (1974-Beta Gamma Sigma)  
Stonier Graduate School of Banking  
Continental Bank-Chicago, IL-Supervisor Profit Planning  
First National Bank of Logansport, IN-Senior VP/CFO  
Ryan, Beck & Co/Mid-States-First VP  
Worthington State Bank-Senior VP/COO  
Mr. Prugh is Senior Vice President, CFO and Chairman of the Investment Committee of Trust  
Investment Advisors, LLC

### **Disciplinary Information**

There is no disciplinary information to report for Mr. Prugh.

### **Other Business Activities and Professional Affiliations**

CPA, State of Illinois  
AICPA  
Indiana CPA Society

### **Additional Compensation**

There is no additional compensation to report for Mr. Prugh.

### **Supervision**

Mr. Prugh is managed by Larry Pitts, President, CEO and Chief Investment Officer of  
Trust Investment Advisors.

## **Jonathan M. Atkins**

### **Educational Background and Business Experience**

BS-Economics (1962)-Wharton School of Finance & Commerce – University of Pennsylvania

Mr. Atkins began his business career with Ernst & Ernst (now Ernst & Young) in 1964 where he obtained his CPA degree while assigned to the audit staff

In 1971 he joined City Securities Corporation in Indianapolis as the assistant treasurer and controller and subsequently became an account representative. In 1975 he became associated with Reinholdt & Garner which office was later purchased by A. G. Edwards & Sons where he was an assistant branch manager and a designated BOM.

In 1989 Mr. Atkins and a partner formed Indiana Merchant Banking & Brokerage Co., Inc where he was secretary/treasurer and obtained the additional designations of FINOP and ROP. His capacity at IMB&B included the sales and structuring of private investment placements as well as general securities transactions. He retired from IMB&B in 2000.

After several years as an assistant controller of a local international frozen dessert company and controller of a local IT company, Mr. Atkins joined TIA as an investment advisor representative and Chief Investment Officer. He, also, serves on the investment committee.

### **Disciplinary Information**

There is no disciplinary information to report for Mr. Atkins.

### **Other Business Activities**

Mr. Atkins does not engage in any other business activities.

### **Additional Compensation**

There is no additional compensation to report for Mr. Atkins.

### **Supervision**

Mr. Atkins is managed by Larry Pitts, President, CEO and Chief Investment Officer and by Mike Prugh CFO and Chairman-Investment Committee,